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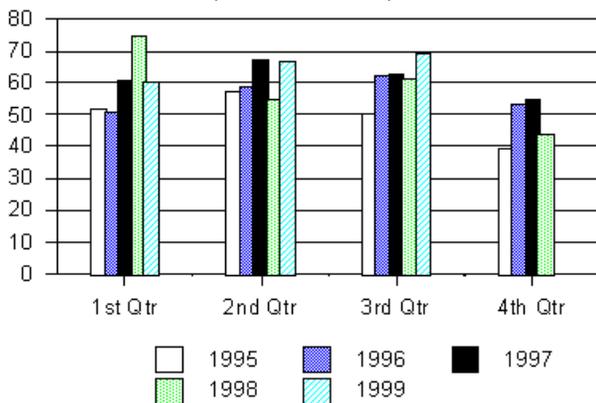
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**ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT FOR MANUFACTURING,  
MINING, AND TRADE CORPORATIONS—THIRD QUARTER 1999**  
*(Except where noted, all figures in text and tables are not seasonally adjusted.)*

*Sales and after-tax profits data for all manufacturing are presented in Table 1 on both a seasonally adjusted and an unadjusted basis. Seasonally adjusted historical data for this series, as well as for total durable and total nondurable manufacturing, are presented in Table 3. Data for individual manufacturing industries are not seasonally adjusted.*

**Manufacturers' After-Tax Profits**

(Billions of Dollars)



Manufacturing corporations' seasonally adjusted after-tax profits averaged 6.5 cents per dollar of sales for the third quarter of 1999, up 0.4 ( $\pm 0.1$ ) cents from the second quarter of 1999. The Commerce Department's Bureau of the Census also reported that on an unadjusted basis, after-tax profits for the third quarter averaged 6.6 cents per dollar of sales, up 0.2 ( $\pm 0.1$ ) cents from the preceding quarter and up 0.4 ( $\pm 0.1$ ) cents from the same quarter in 1998.

For the third quarter of 1999, manufacturers' seasonally adjusted after-tax profits were \$68.1 billion, up \$5.4 ( $\pm 1.3$ ) billion from last quarter. On an unadjusted basis, third quarter after-tax profits were \$69.3 billion, up \$2.5 ( $\pm 1.3$ ) billion from last quarter and up \$8.1 ( $\pm 1.2$ ) billion from the same quarter a year ago.

Unadjusted durable manufacturers' after-tax profits for the third quarter of 1999 were \$35.0 billion, down \$4.8 billion or 12.0 percent ( $\pm 2.2\%$ ) when compared to the second quarter of 1999. Most underlying industry categories were down. Motor vehicles, machinery, and aircraft reported the largest declines, with decreases of \$2.4 ( $\pm 0.1$ ), \$1.8 ( $\pm 0.4$ ), and \$1.5 ( $\pm 0.1$ ) billion. Motor vehicles' decline was due primarily to lower operating profits. Machinery's decrease was a result of lower operating profits and the absence of gains reported on asset sales in the second quarter. Aircraft's downturn was due chiefly to the inclusion this quarter of significant nonrecurring charges and the absence of gains from asset sales reported in the second quarter. Furniture and iron and steel also reported statistically significant declines for the quarter. Electrical machinery's \$1.7 ( $\pm 0.4$ ) billion increase, due principally to the absence of significant nonrecurring charges reported in the second quarter, was the durable group's only statistically significant increase from last quarter.

When compared to the third quarter of 1998, unadjusted durable manufacturers' after-tax profits were up \$6.8 billion or 24.4 percent ( $\pm 3.6\%$ ), with the underlying industry categories showing mixed results. Motor vehicles, instruments, electrical machinery, machinery, fabricated metals, and lumber reported increases. Motor vehicles' \$2.8 ( $\pm 0.1$ ) billion increase was due chiefly to improvements in operating profits and equity earnings from finance and foreign subsidiaries. Aircraft, iron and steel, furniture, and nonferrous metals reported statistically significant decreases from third quarter a year ago.

Unadjusted nondurable manufacturers' after-tax profits for the third quarter of 1999 were \$34.4 billion, up \$7.3 billion or 26.8 percent ( $\pm 3.2\%$ ) when compared to the second quarter of 1999, with the underlying industry categories showing mixed results. Drugs, petroleum, food, apparel, paper, and textiles reported statistically significant increases. Drugs' \$3.7 ( $\pm 0.4$ ) billion improvement was due primarily to the absence of significant nonrecurring charges reported in the second quarter and increased dividends from foreign subsidiaries. Petroleum's \$2.9 ( $\pm 0.1$ ) billion increase was due principally to improvements in operating profits and equity income from foreign subsidiaries. Food's \$2.0 ( $\pm 0.3$ ) billion increase was due chiefly to improved operating profits and equity income from foreign subsidiaries and the absence of significant nonrecurring charges reported in the second quarter. Printing, residual chemicals, industrial chemicals, and rubber reported statistically significant declines.

When compared to the same quarter in 1998, unadjusted nondurable manufacturers' after-tax profits were up \$1.3 billion or 3.9 percent ( $\pm 2.4\%$ ), with the underlying industry categories reporting mixed results. Petroleum, drugs, paper, and industrial chemicals reported statistically significant increases. Petroleum's \$1.9 ( $\pm 0.1$ ) billion increase, the largest of the group, was due principally to improved operating profits and equity income from foreign subsidiaries. Food, printing, residual chemicals, and textiles reported statistically significant decreases. Food's \$1.4 ( $\pm 0.2$ ) billion decrease was due chiefly to a decline in operating profits and the absence of significant gains reported on asset sales last year.

Manufacturers' seasonally adjusted sales for the third quarter of 1999 were \$1,054.2 billion, up \$29.4 ( $\pm 10.3$ ) billion from last quarter. On an unadjusted basis, sales were \$1,053.4 billion, up \$12.6 billion or 1.2 percent ( $\pm 1.0\%$ ) from last quarter and up \$67.1 billion or 6.8 percent ( $\pm 1.1\%$ ) from the third quarter of 1998.

Seasonally adjusted sales of nondurables were \$471.6 billion, up \$13.3 ( $\pm 6.2$ ) billion from last quarter. Seasonally adjusted durable manufacturers' sales were \$582.6 billion, up \$16.1 ( $\pm 7.6$ ) billion from last quarter.

Unadjusted sales for nondurable manufacturing were \$478.8 billion, up \$18.6 billion or 4.1 percent ( $\pm 1.4\%$ ) from last quarter and up \$29.9 billion or 6.7 percent ( $\pm 1.6\%$ ) from the same quarter a year ago. Unadjusted durable manufacturers' sales were \$574.5 billion, showing no statistically significant change from last quarter. On a same quarter a year ago basis, unadjusted durable manufacturers' sales were up \$37.2 billion or 6.9 percent ( $\pm 1.4\%$ ).

Also included in this release are third quarter 1999 data for large mining and wholesale trade corporations.

These advance data, based on quarterly financial reports from about 8,100 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations--Third quarter 1999 (QFR-99-3). The publication includes statements of income and retained earnings, balance sheets, and related financial and operating ratios. The aggregated data are classified by industry and asset size.

The publication becomes available for sale approximately two weeks from the date of this release from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (202-512-1800). The cost for an annual subscription is \$34 domestic and \$42.50 foreign. Remittances from foreign countries must be by international money order or by draft on a U.S. bank.

Files are also available on 3.5 inch flexible diskettes from U.S. Department of Commerce, Bureau of the Census (MS1921), P.O. Box 277943, Atlanta, GA 30384-7943 (301-457-4100). The annual subscription cost is \$84; \$66 for the first diskette and \$6 for each additional diskette. Fourth quarter 1999 advance data are scheduled for release on April 5, 2000.

#### EXPLANATORY NOTES:

This quarter's publication contains data revised due to the reclassification of corporations by industry, and revisions that reflect respondents' corrections of submitted data subsequent to original publication.

The data presented in this report are estimated from a sample survey and therefore are subject to sampling variability as well as nonsampling variability such as response error, nonreporting, and coverage errors. Estimates of sampling variability are presented in the publication. A statement such as "up 2.5 ( $\pm 0.15$ ) cents," appearing in the text, indicates the range (+2.35 to +2.65 cents) in which the actual change is likely to have occurred. The range given for the change is a 90 percent confidence interval that accounts only for sampling variability. If the range had contained zero (0), it would have been uncertain whether there was an increase or decrease; that is, the change would not have been statistically significant. For any comparison cited without a confidence interval, the change is statistically significant. The quarterly publication includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

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This press release is available on the day of issue through the Department of Commerce's on-line Economic Bulletin Board (202-482-1986) and on the Internet (<http://www.census.gov/csd/qfr>).

TABLE 1. QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS

Item	Seasonally Adjusted			Unadjusted		
	3Q 1999	2Q 1999 <sup>1</sup>	3Q 1998 <sup>1</sup>	3Q 1999	2Q 1999 <sup>1</sup>	3Q 1998 <sup>1</sup>
Rate of return (after taxes):						
Cents per dollar of sales . . . . .	6.5	6.1	6.1	6.6	6.4	6.2
Percent on equity (annual rate) . . . . .	NA	NA	NA	17.7	17.5	16.5
	(million dollars)					
Sales . . . . .	1,054,175	1,024,738	986,869	1,053,390	1,040,786	986,273
Income after income taxes . . . . .	68,120	62,680	59,754	69,325	66,847	61,198
Dividends paid (cash) . . . . .	NA	NA	NA	23,537	26,778	27,153

TABLE 2. SALES AND PROFITS OF CORPORATIONS ENGAGED IN MANUFACTURING, MINING, AND TRADE--NOT SEASONALLY ADJUSTED

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	3Q 1999	2Q 1999 <sup>1</sup>	3Q 1998 <sup>1</sup>	3Q 1999	2Q 1999 <sup>1</sup>	3Q 1998 <sup>1</sup>	3Q 1999	2Q 1999 <sup>1</sup>	3Q 1998 <sup>1</sup>
	(million dollars)								
All manufacturing corporations . . . . .	1,053,390	1,040,786	986,273	84,415	89,131	78,252	69,325	66,847	61,198
Nondurable goods . . . . .	478,848	460,201	448,905	43,375	40,916	42,165	34,364	27,110	33,084
Food and tobacco . . . . .	122,130	120,901	121,704	11,843	11,274	13,457	7,977	6,021	9,397
Textiles . . . . .	15,658	15,388	15,890	800	727	1,223	305	150	663
Apparel <sup>2</sup> . . . . .	19,193	16,770	18,998	1,712	767	1,489	1,068	311	991
Paper . . . . .	44,323	41,501	41,907	4,120	3,377	3,313	2,001	1,646	1,395
Printing . . . . .	48,752	47,280	47,403	5,671	5,641	5,417	3,399	4,199	4,163
Chemicals . . . . .	114,601	118,680	108,806	10,921	12,956	11,284	11,827	9,480	10,540
Industrial chemicals and synthetics <sup>3</sup> . . . . .	37,148	39,067	37,750	2,847	3,373	3,415	1,821	2,413	1,334
Drugs <sup>3</sup> . . . . .	40,195	40,301	35,053	4,533	5,056	3,807	7,161	3,465	5,664
Residual of chemicals <sup>3</sup> . . . . .	37,259	39,312	36,004	3,541	4,527	4,062	2,845	3,601	3,542
Petroleum . . . . .	84,278	69,490	62,700	6,468	3,962	3,675	6,815	3,909	4,879
Rubber . . . . .	29,911	30,193	31,496	1,841	2,213	2,308	971	1,393	1,055
Durable goods . . . . .	574,542	580,585	537,368	41,040	48,214	36,087	34,961	39,737	28,113
Stone, clay, and glass . . . . .	22,773	20,715	21,133	3,013	2,811	3,085	2,023	1,950	2,018
Primary metals . . . . .	36,882	36,413	38,154	1,762	2,208	2,378	897	1,256	1,449
Iron and steel <sup>3</sup> . . . . .	18,279	17,829	18,641	584	834	1,039	80	346	437
Nonferrous metals <sup>3</sup> . . . . .	18,604	18,584	19,513	1,178	1,373	1,339	818	910	1,012
Fabricated metals . . . . .	47,377	46,556	46,644	4,566	4,662	4,461	3,469	3,130	2,658
Machinery . . . . .	112,534	112,822	109,762	5,243	8,250	5,615	7,114	8,940	5,938
Electrical machinery . . . . .	122,995	121,550	116,865	11,241	11,388	8,297	9,670	8,013	8,246
Transportation equipment . . . . .	157,044	165,308	131,466	8,417	11,368	5,767	6,970	11,159	4,585
Motor vehicles and equipment <sup>3</sup> . . . . .	109,211	115,156	84,823	4,212	7,207	1,777	4,797	7,161	1,952
Aircraft, guided missiles, and parts <sup>3</sup> . . . . .	36,895	39,850	37,432	3,114	3,086	3,120	1,613	3,129	2,133
Instruments . . . . .	29,770	30,093	29,243	3,246	3,372	2,912	2,738	2,546	1,312
Other durable goods . . . . .	45,167	47,129	44,100	3,552	4,156	3,572	2,081	2,743	1,907
Lumber and wood products <sup>3</sup> . . . . .	19,215	19,428	18,069	1,585	1,894	1,335	1,060	1,381	589
Furniture and fixtures <sup>3</sup> . . . . .	16,846	17,923	16,286	1,307	1,506	1,369	547	835	746
Miscellaneous manufacturing <sup>3</sup> . . . . .	9,106	9,778	9,746	661	756	867	474	526	572
Mining <sup>4</sup> . . . . .	17,610	16,250	16,679	1,655	951	1,305	690	301	(26)
Wholesale trade <sup>4</sup> . . . . .	299,860	289,313	276,464	8,091	8,308	6,894	4,866	4,255	4,216
Retail trade <sup>4</sup> . . . . .	NA	298,706	277,515	NA	15,003	12,251	NA	7,051	5,261

\*Operating profits are profits before nonoperating income and expense items and income taxes.

<sup>1</sup>Revised.

<sup>2</sup>Includes leather industry (previously titled "Other Nondurables").

<sup>3</sup>Included in major industry above.

<sup>4</sup>Mining and trade data are the quarterly results of companies in those divisions with assets over \$50 million; whereas, data for manufacturing corporations represent the quarterly results of companies with assets over \$250,000.

TABLE 3. QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS--SEASONALLY ADJUSTED

Industry Group and Year	Sales <sup>1</sup>				After-Tax Profits <sup>1</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
<b>All manufacturing:</b>								
1994 .....	784,935	802,975	825,110	841,376	36,546	41,336	45,348	51,694
1995 .....	872,044	872,636	883,411	899,127	53,040	52,274	49,185	43,634
1996 .....	915,184	932,668	948,335	959,740	51,577	54,579	60,805	57,876
1997 .....	967,384	972,806	986,932	991,951	61,316	62,879	61,071	59,135
1998 .....	992,423	982,825	986,869	991,176	75,523	50,750	59,754	48,276
1999 .....	1,004,677	1,024,738	1,054,175		60,763	62,680	68,120	
<b>All nondurable manufacturing:</b>								
1994 .....	387,558	394,695	405,654	409,707	19,054	19,956	22,484	26,228
1995 .....	426,048	427,687	430,662	435,666	26,012	28,419	27,625	21,730
1996 .....	442,513	452,740	457,350	462,553	28,215	28,779	32,056	29,662
1997 .....	463,416	457,777	460,377	462,495	33,682	31,504	30,292	27,550
1998 .....	452,650	448,481	442,286	438,521	30,169	29,866	30,285	16,166
1999 .....	446,887	458,253	471,573		26,624	27,824	31,773	
<b>All durable manufacturing:</b>								
1994 .....	397,377	408,280	419,456	431,669	17,492	21,380	22,864	25,466
1995 .....	445,996	444,949	452,749	463,461	27,028	23,855	21,560	21,904
1996 .....	472,671	479,928	490,985	497,187	23,362	25,800	28,749	28,214
1997 .....	503,968	515,029	526,555	529,456	27,634	31,375	30,779	31,585
1998 .....	539,773	534,344	544,583	552,655	45,354	20,884	29,469	32,110
1999 .....	557,790	566,485	582,602		34,139	34,856	36,347	

<sup>1</sup>Revised.